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SUBJECT: CHINESE VP'S COLOMBIA VISIT LONG ON GOOD  
INTENTIONS, SHORT ON SPECIFICS

REF: A. BEIJING 518  
1B. 08 BOGOTA 4178

11. (U) SUMMARY. Chinese Vice President Xi Jinping's recent visit to Colombia, part of a broader trip through the region, focused on the Chinese designation of Colombia as an official tourist destination, Colombia's burgeoning trade deficit with China, and a Colombian desire for greater Chinese investment.

The two sides signed seven cooperation agreements. While short on specifics, the visit underscored both countries' desire to exploit a largely untapped relationship. END SUMMARY.

COLOMBIA'S INCREASED TOURISM, CHINA'S MARKET ECONOMY STATUS?

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12. (U) The February 14-16 visit came out of a mandate from both Presidents to look for ways to deepen the bilateral relationship, following the November 2008 APEC Summit in Lima. During the visit, the two sides signed seven agreements on various issues, including economic, health and technical cooperation; natural disaster assistance; investment promotion; sanitary issues related to traditional medicines; and scientific, technological, and education exchanges. Also, VP Xi formally announced China's decision to declare Colombia an official Chinese tourist destination. The decision is a positive one for Colombia, which has seen a significant up-tick in tourism in the last several years.

13. (SBU) Newly minted Trade Vice Minister Gabriel Duque told us that China had hoped in return for the tourism designation, Colombia would offer China market economy status. According to Duque, Colombia wants to study the issue further, adding "the issue of market economy status will have to be negotiated."

COLOMBIA HOPING TO TRADE DEFICITS FOR INVESTMENT

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14. (U) Colombia's trade deficit with China surpassed USD 3 billion for the first time in 2008 (approximately \$3.3 billion in imports and \$300,000 in exports), representing Colombia's largest deficit with any of its trading partners. While Trade Vice Minister Ricardo Duarte publicly expressed concern over the wide trade gap, he suggested that China could compensate by increasing its investment in Colombia, particularly in manufacturing and infrastructure projects. VP Xi responded very generally that he understood the concerns and would work to increase Chinese imports from Colombia as well as Chinese investment in Colombia.

15. (SBU) Still, when pressed for what products Colombia

considered it could offer to substantially increase exports, Duque only mustered mention of chicken legs and certain tropical fruits, demonstrating that there is no easy fix for Colombia's huge trade imbalance. Likewise on investment, few specifics were put forward beyond general sectors that might benefit from investment. Nonetheless, Duque noted that currently China did not even rank in the top 30 source-countries for investment in Colombia, so any increase would be welcome. According to the Colombian Trade Ministry's Coordinator for Asian Relations, Rosana Prieto, the bilateral investment treaty that the two sides signed in November 2008 (Ref B) should be submitted to the Colombian Congress in March 2009.

CHINA JOINING IDB, COLOMBIA HOPING TO JOIN APEC

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¶6. (U) Colombian Vice President Francisco Santos, in remarks to the press, noted the significance of China formally joining the Inter-American Development Bank (IDB) at the end of March, when Colombia will host the Bank's annual meeting in Medellin. Colombia, on the other hand, is hoping that China will help push its candidacy to join the Asia-Pacific Economic Cooperation (APEC) once the moratorium on membership is lifted.

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